



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0257	Title:	Revise definition of renewable energy resource
Primary Sponsor:	Keane, Jim	Status:	As Introduced

- | | | |
|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$0	\$65,625	\$112,500	\$112,500
Revenue:				
State Special Revenue	\$65,625	\$112,500	\$112,500	\$112,500
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

As a result of SB 257, the Department of Public Health and Human Services (DPHHS) will receive Renewable Energy Certificates from electrical energy producers that can be sold for cash. The transfer of certificates is expected to take place at the beginning of each calendar year. Then the certificates will be sold, and the revenue placed in a state special revenue fund and spent on weatherization in the following state fiscal year.

FISCAL ANALYSIS

Assumptions:

1. Data received by the Department of Environmental Quality indicated that the Department of Public Health and Human Services (DPHHS) would receive 45,000 Renewable Energy Certificates each year to sell at an estimated \$2.50 per Renewable Energy Certificate (REC).
2. DPHHS estimates the RECs earned from May 2009 to December 2009 will be transferred to the department for sale in FY 2010. DPHHS will start selling the credits in FY 2010 for a total of \$65,625 in revenue. This revenue would be awarded in contracts for FY 2011.

3. DPHHS is estimating that it would receive and sell all 45,000 RECs earned by the electrical energy producers in FY 2010 and FY 2011 for a total of \$112,500 (45,000 x \$2.50). This revenue will be spent in FY 2012.
4. The revenue amounts earned would be the same for FY 2011 through FY 2013.
5. The average cost to weatherize a home is \$3,500. The number of homes that could be weatherized as a result of this bill would be an additional 18 homes (\$65,625/\$3,500) in FY 2011 and an additional 32 homes (\$112,500/\$3,500) for each of the following years.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits	\$0	\$65,625	\$112,500	\$112,500
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$0	\$65,625	\$112,500	\$112,500
<u>Revenues:</u>				
State Special Revenue (02)	\$65,625	\$112,500	\$112,500	\$112,500
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$65,625	\$46,875	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date